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DEPARTMENT OF COMMERCE

International Trade Administration

C-533-868

Countervailing Duty Investigation of Welded Stainless Pressure Pipe from India: Final Affirmative Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (“Department”) determines that countervailable subsidies are being provided to producers and exporters of welded stainless pressure pipe from India. For information on the subsidy rates, see the “Final Determination” section of this notice. The period of investigation is January 1, 2014, through December 31, 2014.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]

FOR FURTHER INFORMATION CONTACT: Amanda Mallott at 202-482-6430, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230.

SUPPLEMENTARY INFORMATION:

Background

The Department published the *Preliminary Determination* on March 11, 2016,¹ and issued a Post-Preliminary Memorandum on August 23, 2016.² A summary of the events that

¹ See *Countervailing Duty Investigation of Welded Stainless Pressure Pipe from India: Preliminary Affirmative Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 81 FR 12871 (March 11, 2016) (“*Preliminary Determination*”).

² See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Post-Preliminary Analysis in

occurred since the *Preliminary Determination*, and a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.³ The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("ACCESS"). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

Scope of the Investigation

The merchandise covered by this investigation is circular welded austenitic stainless pressure pipe not greater than 14 inches in outside diameter, from India. For a complete description of the scope of this investigation, *see* Appendix II. The Department did not receive comments regarding the scope of this investigation.

Methodology

The Department is conducting this countervailing duty ("CVD") investigation in accordance with section 701 of the Tariff Act of 1930, as amended ("the Act"). For each of the subsidy programs found countervailable, we determine that there is a subsidy, *i.e.*, a financial contribution by an "authority" that gives rise to a benefit to the recipient, and that the subsidy is

the Countervailing Duty Investigation of Welded Stainless Pressure Pipe from India," dated August 23, 2016 ("Post-Preliminary Memorandum").

³ See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Welded Stainless Pressure Pipe from India," dated concurrently with, and hereby incorporated by reference and adopted by, this notice ("Issues and Decision Memorandum").

specific.⁴ For a full description of the methodology underlying our conclusions, *see* the Issues and Decision Memorandum.⁵

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice at Appendix I.

Use of Adverse Facts Available

In making this final determination, the Department relied, in part, on facts available with regard to specificity and financial contribution of the electricity duty rebate provided to Steamline Industries Limited (“Steamline”), as well as an adjustment to Steamline’s reported total sales value and total export sales value.⁶ Because neither Steamline nor the Government of India acted to the best of their ability to respond to the Department’s requests for information, we drew an adverse inference, where appropriate, in selecting from among the facts otherwise available.⁷ For further information, *see* the section “Use of Facts Otherwise Available and Adverse Inferences” in the accompanying Issues and Decision Memorandum.

Changes Since the Preliminary Determination

Based on our review and analysis of the comments received from parties, we made certain changes to the subsidy program rate calculations since the *Preliminary Determination*. For a discussion of these changes, *see* the Issues and Decision Memorandum.

⁴ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁵ *See also Preliminary Determination* and accompanying Preliminary Decision Memorandum; and Post-Preliminary Memorandum.

⁶ *See* Issues and Decision Memorandum at Comments 5 and 6.

⁷ *See* sections 776(a) and (b) of the Act.

Final Determination

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we calculated an individual rate for each producer/exporter of the subject merchandise individually investigated. In accordance with section 705(c)(5)(A) of the Act, for companies not individually examined, we apply an “all-others” rate, which is normally calculated by weighting the subsidy rates of the companies that the Department individually investigated by those companies’ exports of the subject merchandise to the United States. Under section 705(c)(5)(A)(i) of the Act, the all-others rate should exclude zero and *de minimis* rates or any rates based entirely on facts otherwise available pursuant to section 776 of the Act. Accordingly, in these final results, we have calculated the “all-others” rate by weight-averaging the calculated subsidy rates of the two individually investigated respondents, using the respondent’s publicly-ranged sales data for exports of subject merchandise to the United States.⁸

Exporter/Producer	Subsidy Rate (Percent)
Steamline Industries Limited	3.13
Sunrise Stainless Private Limited, Sun Mark Stainless Pvt. Ltd., and Shah Foils Ltd. (collectively, “Sunrise Group”)	6.22
All-Others	4.65

Disclosure

We intend to disclose to parties in this proceeding the calculations performed for this final determination within five days of the date of public announcement of our final determination, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

⁸ See Memorandum to the File, “Countervailing Duty Investigation of Welded Stainless Pressure Pipe from India: Final Determination Margin Calculation for All-Others,” dated concurrently with this memorandum.

As a result of our *Preliminary Determination*, and pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection (“CBP”) to suspend liquidation of entries of merchandise under consideration from India that were entered or withdrawn from warehouse, for consumption, on or after March 11, 2016, which is the publication date in the *Federal Register* of the *Preliminary Determination*. In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after July 9, 2016 but to continue the suspension of liquidation of all entries of subject merchandise from March 11, 2016 through July 8, 2016.

If the U.S. International Trade Commission (“ITC”) issues a final affirmative injury determination, we will issue a CVD order and will reinstate the suspension of liquidation under section 706(a) of the Act and will require a cash deposit of estimated CVDs for such entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited as a result of the suspension of liquidation will be refunded or canceled.

International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance.

Notification Regarding Administrative Protective Orders

In the event the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an administrative protective order (“APO”) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

September 22, 2016

Date

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
 - II. Background
 - III. Scope of the Investigation
 - IV. List of Issues
 - V. Subsidies Valuation
 - VI. Use of Facts Otherwise Available and Adverse Inferences
 - VII. Analysis of Programs
 - VIII. Calculation of the All-Others Rate
 - IX. Analysis of Comments
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- Comment 1: Whether the Advance Authorization Program (“AAP”) Provides a Countervailable Subsidy
 - Comment 2: Whether the Duty Drawback (“DDB”) Program Provides a Countervailable Subsidy
 - Comment 3: Whether the Export Promotion of Capital Goods Scheme (“EPCGS”) Provides a Countervailable Subsidy and Whether the Department Should Use a Different Denominator for the Benefit Calculation
 - Comment 4: Whether the Department Should Investigate and Countervail Marketable Certificates Purchased from Third Parties
 - Comment 5: Whether Steamline’s Total Sales and Total Export Sales Figures are Overstated
 - Comment 6: Whether the Electricity Duty Exemption Provided by the Uttar Gujarat Vij Company Limited is a Countervailable Subsidy Program
 - Comment 7: Whether the Department Should Countervail Preferential Water Rates Provided by the Gujarat Industrial Development Corporation (“GIDC”) Under the GIDC Water Supply Regulation of 1991
 - Comment 8: Whether the Provision of Land for Less Than Adequate Remuneration (“LTAR”) Provides a Countervailable Subsidy
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- Recommendation

Appendix II

Scope of the Investigation

The merchandise covered by this investigation is circular welded austenitic stainless pressure pipe not greater than 14 inches in outside diameter. References to size are in nominal inches and include all products within tolerances allowed by pipe specifications. This merchandise includes, but is not limited to, the American Society for Testing and Materials (“ASTM”) A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications. ASTM A-358 products are only included when they are produced to meet ASTM A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications.

Excluded from the scope of the investigation are: (1) welded stainless mechanical tubing, meeting ASTM A-554 or comparable domestic or foreign specifications; (2) boiler, heat exchanger, superheater, refining furnace, feedwater heater, and condenser tubing, meeting ASTM A-249, ASTM A-688 or comparable domestic or foreign specifications; and (3) specialized tubing, meeting ASTM A-269, ASTM A-270 or comparable domestic or foreign specifications.

The subject imports are normally classified in subheadings 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085 of the Harmonized Tariff Schedule of the United States (“HTSUS”). They may also enter under HTSUS subheadings 7306.40.1010, 7306.40.1015, 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of this investigation is dispositive.

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